BEFORE THE DIVISION OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE DECISION TO APPROVE A LARGE MINING AND RECLAMATION PLAN FOR LEXCO INC., COTTONWOOD MINE,

NOTICE OF TENTATIVE **DECISION TO APPROVE**

UINTAH COUNTY, UTAH

NO. M/047/064

---ooOoo---

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention (Notice) for the Cottonwood Mine. Mining activities will affect the following area: Section 34: NW1/4NW1/4, S1/2NW1/4, SW1/4NE1/4, N1/2, SE1/4, Section 35: N1/2SW1/4, SE1/4SW1/4, S1/2, SE1/4, Township 10, South, Range 21East, Section 1 NE1/4NE1/4, Township 11 South, Range 21 East Uintah County, Utah.

Lexco Corporation has filed a notice to expand an existing small mining project to a large mining operation. Reclamation surety will be posted to assure reclamation of the 5 acre disturbance. The mine is an underground mining operation. No surface effects of subsidence are expected. Gilsonite is mined from veins and extracted from the mine through a vacuum lift system. The gilsonite is shipped from the mine in covered truck. After mining, all surface structures will be removed and shafts plugged. Mine pads and roads will recontoured to blend with surrounding topography. The surface will be ripped, topsoiled and seeded. The reclaimed area will be returned to its premining land use of wildlife habitat and grazing.

Any person or agency aggrieved by this tentative decision may file a written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint.

DATED THIS 35 day of July, 2006

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

Mary Ann Wright

Associate Director, Mining

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Lexco Corporation, Cottonwood Mine project, M/047/0064 to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the <a href="https://doi.org/10.1086/journal.com/doi.org/10.1086/jo

FACSIMILE: 435-789-8690 E-MAIL: editor@vernal.com

Vernal Express Legal Advertising 54 North Vernal Avenue P.O. Box 1000 Vernal, Utah 84078-1000

FACSIMILE: 801-237-2776 E-MAIL: naclegal@nacorp.com

The Salt Lake Tribune 116 Regent Street Salt Lake City, Utah 84111

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 7746

Jim Leaks Lexco Corporation 582 North Venal Avenue P.O Box 1198 Vernal, Utah 84078

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 4837

Bureau of Land Management Vernal Field Office 170 South 500 East Vernal, Utah 84078

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 4844

Matt Zazier Uintah County Zoning 152 East 100 North Vernal, Utah 84078 enny Berry, Secretary

M047/047pn

STATE ACTIONS

Governor's Office of Planning and Budget Resource Development Coordinating Committee

P.O. Box 145610

1594 W. North Temple, Suite 3710 SLC, UT 84114-5610

538-5535

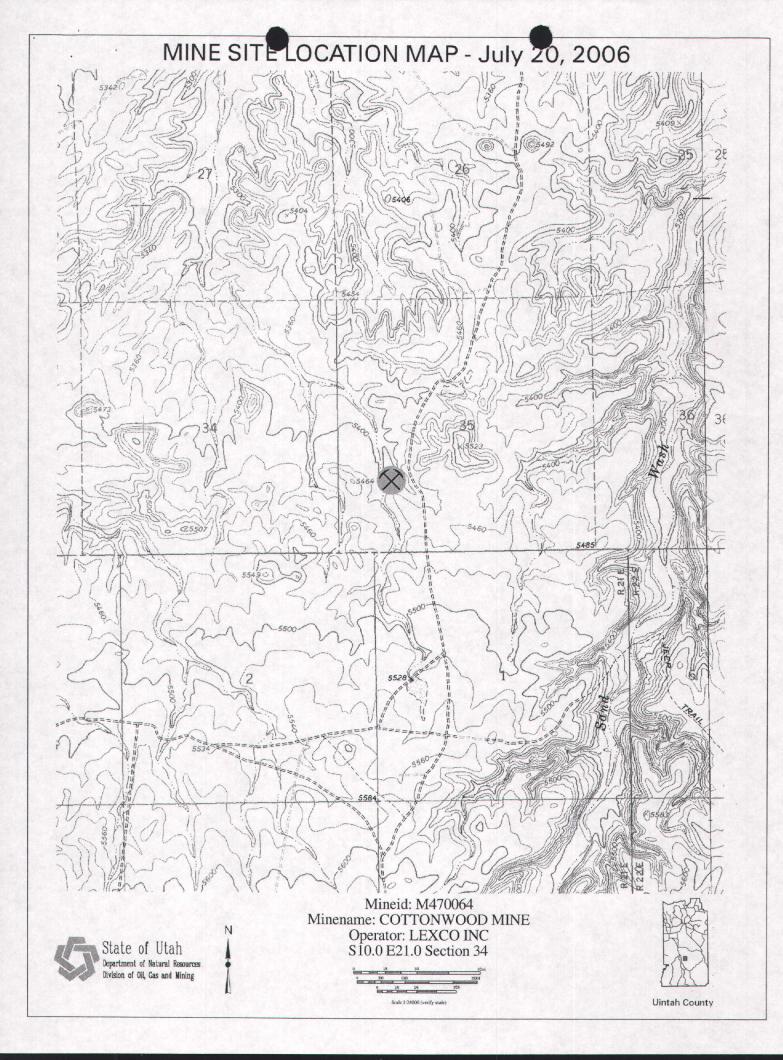
Division of Oil, Gas and Mining 2. Approximate date project will start: Existing Operations				
3. Areawide clearinghouse(s) receiving state ac Curtis Dastrup, Executive Director 330 East 100 South Roosevelt, UT 84066 Phone (435) 722-4518	etion: (to be sent out by agency in block 1) Duchesne Uintah Daggett			
4. Type of action: //Lease //Permit /X//Land Sale //Land Exchange //Othe	[2018] 10 18 18 18 18 18 18 18 18 18 18 18 18 18			
5. Title of proposed action: Cottonwood Mine, M0470064, Lexco Corporation				
6. Description: Mining and Reclamation Plan Sur	mmary:			
foot surface pillars above all mine workings. About 85	mining operation. The operator prevents subsidence by using 50-5 percent of the Gilsonite in a vein 18 inches wide or wider will be tuum lift system equipped with a self cleaning dust collector.			
Shafts will be plugged with a 12-inch concrete seal pla soil to create a gentle mound. Mine pads and roads wi	pletion of mining operations, all surface structures will be removed. aced within the collar. The entire shaft collar will be covered with ill be ripped and contoured to blend with surrounding topography. about two feet followed by spreading topsoil and seeding. The seed			
7. Land affected (site location map required) (i Township 10 South, Range 21 East Section 34, NW ¹ / ₄ NW ¹ / ₄ , S ¹ / ₂ NW ¹ / ₄ , SW ¹ / ₄ NE	indicate county) - include UTM coordinates where possible E¼, N½ SE¼			

8. Jordan River Natural Areas Forum review - If the proposed action affects lands within the Jordan River Natural Areas Corridor. N/A

Section 35. N1/2 SW1/4, SE1/4 SW1/4, S1/2 SE1/4

Township 11 South, Range 21 East Section 1, NE¼ NE¼

9. Has the local government(s) been contacte a. How was contact made? Newspaper Public b. Who was contacted? c. What was the response? d. If no response, how is the local government	cation
10. Possible significant impacts likely to occu	ır: None
11. Name and phone of district representativ	e from your agency near project site, if applicable:
12. For further information, contact: Paul Baker, Senior Reclamation Engineer Phone: (801) 538-5261	13. Signature and title of authorized officer Date:



EXECUTIVE SUMMARY

Date Summary Prepared: July 7, 2006

Mine Name: Cottonwood	I.D. Number: M0470064		
Operator: Lexco Corporation Date Original Notice Received: Septembe			
Address: P. O. Box 1198	County: Uintah		
582 North Vernal Avenue	New/Existing: Status changing from SMO to LMO		
Vernal, Utah 84078	Mineral Ownership: BLM		
Telephone: 435-789-5361	Surface Ownership: BLM		
Contact Person: Jim Lekas	Lease No.(s): 72699		
Telephone: 435-789-5361	Permit Term: Life of Mine		

Life of Mine: Estimated to be about 45 years

Legal Description:

Township 10 South, Range 21 East

Section 34, NW¹/₄ NW¹/₄, S¹/₂ NW¹/₄, SW¹/₄ NE¹/₄, N¹/₂ SE¹/₄ Section 35. N¹/₂ SW¹/₄, SE¹/₄ SW¹/₄, S¹/₂ SE¹/₄

Township 11 South, Range 21 East Section 1, NE¼ NE¼

Mineral(s) to be Mined: Gilsonite

Acres to be Disturbed: About 5.1 acres

Present Land Use: Wildlife habitat and grazing

Postmining Land Use: Wildlife Habitat and Grazing

Variances from Reclamation Standards (Rule R647) Granted: None

Soils and Geology

Soil Description: The useable soils are typically very shallow although deeper soils exist in the drainages. Soils that will be salvaged are sandy. Other soils in the area and subsoils tend to be clayey with high salt concentrations.

pH: about 7.5-9.0

Special Handling Problems: The operator will salvage about three inches of soil but will avoid areas where the clayey soils with high salt concentrations are exposed.

Geology Description: The lower portion of the Uintah Formation occurs in the mine area. It is overlain by Quaternary deposits in some locations. The Uintah Formation outcropping in the area is dominated by brown, moderately resistant sandstones which support benches, mesas, and buttes. Slopes below these ledges are eroded on weak siltstones. The operator intends to mine Gilsonite from the Cottonwood B and C veins.

Hydrology

Page 2 Executive Summary M0470064

Ground Water Description: The two existing mines encountered ground water at an elevation of about 350 feet below the surface. The water flow rate is about three to five gallons per minute into the #1 shaft. This water is pumped to the surface and discharged in accordance with an NPDES permit.

Surface Water Description: There is no significant perennial water in the area. Most typically, the area is drained by ephemeral washes with wide, shallow valleys covered by thin alluvial deposits. The washes flow into Sand Wash and Cottonwood Wash which eventually empty into the White River.

Water Monitoring Plan: There is no water monitoring plan except for that which occurs in conjunction with the NPDES permit.

Ecology

Vegetation Type(s); Dominant Species: <u>Dominant species in the area include Wyoming big sage</u>, <u>black sage</u>, <u>shadscale</u>, <u>mat saltbrush</u>, <u>galleta</u>, <u>and Indian ricegrass</u>.

Percent Surrounding Vegetative Cover: About 15 percent

Wildlife Concerns: None

Surface Facilities: Surface facilities will include five production shafts and six escapeways. The shaft areas include hoist buildings, generator buildings, shaft collars and headframes, fuel storage tanks, ore storage silos, and air lift systems. The operator will be upgrading 3500 feet of road and building about 800 feet of new roads.

Mining and Reclamation Plan Summary:

During Operations: This is an underground mining operation. The operator prevents subsidence by using 50-foot surface pillars above all mine workings. About 85 percent of the Gilsonite in a vein 18 inches wide or wider will be mined. Gilsonite is lifted from the mine through a vacuum lift system equipped with a self cleaning dust collector. Gilsonite is shipped from the mine in covered trucks.

After Operations: Within 12 months of completion of mining operations, all surface structures will be removed. Shafts will be plugged with a 12-inch concrete seal placed within the collar. The entire shaft collar will be covered with soil to create a gentle mound. Mine pads and roads will be ripped and contoured to blend with surrounding topography. The surface will be prepared by ripping to a depth of about two feet followed by spreading topsoil and seeding. The seed mix contains four species native to the area.

Surety

Amount: \$130,000

Form: Treasury Bills posted with the Bureau of Land Management

Renewable Term: Five years



State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 7/25/06
FAX#: 237-277(
ATTN:
COMPANY: The Salt Lake Tribune
NUMBER OF PAGES (INCLUDING THIS ONE):
FROM: Penny Berry - DOGM
If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.
MESSAGES: Please publish this legal notice
Thanks 1
Renny Berry
Please see the correct date. Thanks

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

BEFORE THE DIVISION OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE DECISION TO APPROVE A LARGE MINING AND RECLAMATION PLAN FOR LEXCO INC., COTTONWOOD MINE, UINTAH COUNTY, UTAH

NOTICE OF TENTATIVE DECISION TO APPROVE

NO. M/047/064

---ooOoo---

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention (Notice) for the Cottonwood Mine. Mining activities will affect the following area: Section 34: NW1/4NW1/4, S1/2NW1/4, SW1/4NE1/4, N1/2, SE1/4, Section 35: N1/2SW1/4, SE1/4SW1/4, S1/2,SE1/4, Township 10, South, Range 21East, Section 1 NE1/4NE1/4, Township 11South, Range 21East Uintah County, Utah.

Lexco Corporation has filed a notice to expand an existing small mining project to a large mining operation. Reclamation surety will be posted to assure reclamation of the 5 acre disturbance. The mine is an underground mining operation. No surface effects of subsidence are expected. Gilsonite is mined from veins and extracted from the mine through a vacuum lift system. The gilsonite is shipped from the mine in covered truck. After mining, all surface structures will be removed and shafts plugged. Mine pads and roads will recontoured to blend with surrounding topography. The surface will be ripped, topsoiled and seeded. The reclaimed area will be returned to its premining land use of wildlife habitat and grazing.

Any person or agency aggrieved by this tentative decision may file a written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint.

DATED THIS 35 day of July, 2006

STATE OF UTAH

DIVISION OF QIL, GAS AND MINING

Mary Ann Wright

Associate Director, Mining

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Lexco Corporation, Cottonwood Mine project, M/047/0064 to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 25th/9064 day of July, 2006

FACSIMILE: 435-789-8690 E-MAIL: editor@vernal.com

Vernal Express Legal Advertising 54 North Vernal Avenue P.O. Box 1000 Vernal, Utah 84078-1000

FACSIMILE: 801-237-2776 E-MAIL: naclegal@nacorp.com

The Salt Lake Tribune 116 Regent Street Salt Lake City, Utah 84111

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 7746

Jim Leaks Lexco Corporation 582 North Venal Avenue P.O Box 1198 Vernal, Utah 84078

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 4837

Bureau of Land Management Vernal Field Office 170 South 500 East Vernal, Utah 84078

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 4844

Matt Zazier Uintah County Zoning 152 East 100 North Vernal, Utah 84078 enny Berry, Secretary

M047/047pn



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

July 25, 2006

FACSIMILE 801-237-2776 E-Mail – naclegal@nacorp.com

The Salt Lake Tribune 116 Regent Street Salt Lake City, Utah 84111

Gentlemen:

Subject: NOTICE OF TENTATIVE APPROVAL - M/047/064

Attached is a Notice of Tentative Approval from the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

It is requested that this notice be published ONCE ONLY as soon as possible, but no later than the <u>28th day July of, 2006</u>. In the event that said notice cannot be published by this date, please notify me immediately by calling 538-5291.

Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801; phone (801) 538-5340.

Sincerely,

Penny Berry

Minerals Secretary

Genry Berry

Attachment

P:\GROUPS\MINERALS\WP\M047-Uintah\M0470064-Cottonwood\draft\NEWSPAPER.docb

**********	*********	******
*	TRANSACTION REPORT	JUL-25-2006 TUE 02:54 PM *
* * FOR: OIL, GAS & MINING	801 359 3940	* * *

TX TIME

1' 15"

JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT

Lieutenant Governor

JUL-25 02:52 PM 2372776

DATE START

RECEIVER.

State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

PAGES TYPE

TOTAL:

4 SEND

NOTE

1M 15S PAGES:

OK

M# DP

261

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 7/25/06
DATE: 7/25/06 FAX#: 237-2776
ATTN:
COMPANY: The Salt Lake Tribune
NUMBER OF PAGES (INCLUDING THIS ONE): 4
FROM: Penny Berry - DOGM
If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > July 25, 2006

FACSIMILE 801-237-2776 E-Mail – naclegal@nacorp.com

The Salt Lake Tribune 116 Regent Street Salt Lake City, Utah 84111

Gentlemen:

Subject: NOTICE OF TENTATIVE APPROVAL - M/047/064

Attached is a Notice of Tentative Approval from the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

It is requested that this notice be published ONCE ONLY as soon as possible, but no later than the <u>28th day July of, 2006</u>. In the event that said notice cannot be published by this date, please notify me immediately by calling 538-5291.

Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801; phone (801) 538-5340.

Sincerely,

Penny Berry

Minerals Secretary

Penny Berry

Attachment

 $P:\GROUPS\MINERALS\WP\M047-Uintah\M0470064-Cottonwood\draft\NEWSPAPER.docb$

TRANSACTION REPORT

JUL-25-2006 TUE 02:52 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M# DP
JUL-25 02:51 PM 14357898690	1′ 16″	4 SEND	OK	260

TOTAL :

1M 16S PAGES:

: 4



State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 7/25/06
DATE: 7/25/06 FAX#: 435-789-8690
ATTN:
COMPANY: Vernal Express
NUMBER OF PAGES (INCLUDING THIS ONE): 4
FROM: Penny Berry Dogm If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our tables, please call (801) 538-5340.
We are sending from a sharp facsimile machine. Our telecopier number is (801) 538-5340. MESSACES.



State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 7/25/06
FAX#: 435-789-8690
ATTN:
COMPANY: Vernal Express
NUMBER OF PAGES (INCLUDING THIS ONE): 4
FROM: Penny Berry - Dogm
If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.
MESSAGES: Please publish legal notice.
Thanks
Penny Beerl

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

July 21, 2006

FACSIMILE 435 789-8690 E-Mail – <u>editor@vernal.com</u>

Vernal Express Legal Advertising 54 North Vernal Avenue P.O. Box 1000 Vernal, Utah 84078-1000

Gentlemen:

Subject: NOTICE OF TENTATIVE APPROVAL - M/047/064

Attached is a Notice of Tentative Approval from the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

It is requested that this notice be published ONCE ONLY as soon as possible, but no later than the <u>26th day July of, 2006</u>. In the event that said notice cannot be published by this date, please notify me immediately by calling 538-5291.

Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801; phone (801) 538-5340.

Sincerely,

Penny Berry

Minerals Secretary

Penny Berry

Attachment

P:\GROUPS\MINERALS\WP\M047-Uintah\M0470064-Cottonwood\draft\NEWSPAPER.docb

TRANSACTION REPORT

JUL-25-2006 TUE 03:04 PM

P. 01

*

FOR: OIL, GAS & MINING

801 359 3940

K	DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE		M# D)P
* *	JUL-25	03:03 PM	2372776	1'01"	3	SEND	OK	1	264	* * *

TOTAL:

1M 1S PAGES:

3



State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director

JOHN R. BAZA
Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 7/25/06
DATE: 7/25/01. FAX#: 237-2771.
ATTN:
COMPANY: The Salt lake Tribune
NUMBER OF PAGES (INCLUDING THIS ONE): 4
FROM: Penny Berry - DOGM
If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.
MESSACES. Mana - 1-1-1 11. 1 1.

TRANSACTION REPORT

JUL-25-2006 TUE 03:05 PM

						-
F	OR:	OIL,	GAS	&	MINING	

801 359 3940

*	DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP	-* *
*	JUL-25	03:04 PM	2372776	35"	1	SEND	OK	265		_* _*

TOTAL :

PAGES: 35S



*

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > July 25, 2006

FACSIMILE 801-237-2776 E-Mail - naclegal@nacorp.com

The Salt Lake Tribune 116 Regent Street Salt Lake City, Utah 84111

Gentlemen:

Subject: NOTICE OF TENTATIVE APPROVAL - M/047/064

Attached is a Notice of Tentative Approval from the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

that this notice be published ONCE ONLY as soon as possible,